

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6605

BILL NUMBER: HB 1067

NOTE PREPARED: Feb 23, 2007

BILL AMENDED: Feb 23, 2007

SUBJECT: TRF Beneficiary Changes.

FIRST AUTHOR: Rep. Crooks

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill:

(1) allows a member of the Teachers' Retirement Fund (TRF) who is receiving a benefit from TRF and who is a party in an action for dissolution of marriage in which: (1) the member's designated beneficiary is also a party; and (2) a final order is issued after the member's first benefit payment is made; to elect under certain conditions to change the member's designated beneficiary or form of benefit; and

(2) establishes the Interim Study Committee on the Structure of the Indiana State Teachers' Retirement Fund.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (1) There will be a \$250 charge that is to be paid by the member for the Fund actuary to recalculate the benefit. Benefits will be recalculated only to the extent permitted by the Internal Revenue Code and applicable regulations. Also, the TRF Board of Trustees may obtain any approvals that the Board considers necessary or appropriate from the Internal Revenue Service. In addition, there will be an administrative cost of a minimal amount to the Fund. The fund affected is the Administrative Fund.

(Revised) (2) The bill also establishes the Interim Study Committee on the Structure of the Indiana State Teachers' Retirement Fund. The committee is to operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members, and \$16,500 per interim for committees with 16 members or more. The fund affected is the state General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Teachers' Retirement Fund; Legislative Services Agency.

Local Agencies Affected:

Information Sources: Tom Abbett, Controller, Teachers' Retirement Fund, 317-232-3826.

Fiscal Analyst: James Sperlik, 317-232-9866.